

## Message Text

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ACTION EB-03

INFO OCT-01 EA-06 ISO-00 L-01 SS-14 INR-05 SP-02 /032 W

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R 040313Z MAR 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 8394

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E.O. 11652 N/A

TAGS: ETRD, JA

SUBJECT: CERAMIC TILE

REF: STATE 38811

SUMMARY ACCOUNT OF MURCHISON-MEYERS VISIT AND EMBASSY  
APPROACH TO MITI ON CERMAIC TILE SET OUT BELOW. END SUMMARY.

1.INDUSTRY REPS DAVID MURCHISON AN GLENN MEYERS BRIEFED  
EMBASSY ON INDUSTRY POSITION FEB. 24.

2. EMBOFF RELAYED DATA THEY PROVIDED AND CONCERNS THEY  
EXPRESSED IN MEETING FEB. 25 WITH OFFICIALS OF MITI CONSUMER  
GOODS INDUSTRIES BUREAU'S INTERNATIONAL TRADE DIVISION (MAKOTO  
KURODA, CHIEF; H. YAMADA, DEPUTY AND SEVERAL SPECIALSTS)  
AND AMERICAS-OCEANIA DIVISION OF INTERNATIONAL TRADE POLICY  
BUREAU (HIDEHIRO KONNO). EMBOFF STRESSED THAT USG TAKES NO  
POSITION RE GOJ POLICY ON CERAMIC TILE EXPORTS AND  
CONSIDERS IT PURELY GOJ INTERNAL MATTER. HESUGGESTED,  
HOWEVER, THAT RECONCILIATION OF DISCREPANCIES BETWEEN  
U.S. AND JAPAN FIGURES ON WALL TILE SHOULD BE PART OF  
FACTUAL BASIS ESSENTIAL TO SOUND POLICY DECISION. HE  
SAID INDUSTRY'S POSITION AS CONVEYED TO EMBASSY WAS  
ONE OF GENERAL SATISFACTION WITH PRESENT SITUATION AND  
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APPRECIATION OF MITI ROLE; IN LIGHT OF CURRENT RECESSION,

HOWEVER, INDUSTRY FEELS ITSELF IN EXTREMELY VULNERABLE POSITION AND COULD BE HURT SHOULD IMPORT SITUATION CHANGE SUDDENLY AS HAS HAPPENED IN PAST.

3. IN RESPONSE KURODA EXPRESSED APPRECIATION OF USG POSITION THAT CERAMIC TILE EXPORT POLICY IS INTERNAL GOJ MATTER AND USG NOT REQUESTING SPECIFIC GOJ ACTION. HE AGREED WITH NEED TO RECONCILE DISCREPANCIES BETWEEN U.S. AND JAPAN STATISTICS. HE SAID MITI'S PRESENT QTE STATE OF MIND UNQTE INVIEW OF UNDERUTILIZATION OF QUOTAS BY PROGRESSIVELY WIDER MARGINS IN RECENT YEARS IS TO DOUBT NEED FOR THEIR CONTINUANCE. HE PROMISED, HOWEVER, THAT U.S. INDUSTRY'S CONCERNS WOULD BE TAKEN INTO ACCOUNT, PARTICULARLY IN LIGHT OF RECESSION AND DEPRESSED HOUSING MARKET. IN ANY EVENT, HE SAID, IF FORMAL RESTRICTIONS WERE ABOLISHED, THIS NEED NOT MEAN THAT MITI WOULD CEASE TO KEEP AN EYE ON JAPAN-U.S. CERAMIC TILE TRADE. HE DID NOT ELABORATE FURTHER ON WHAT GOJ DECISION ON RESTRAINTS MIGHT BE. EMBASSY ASSESSMENT, HOWEVER, IS THAT THERE IS AT LEAST 50-50 CHANCE MITI WILL END FORMAL RESTRAINTS WHILE CONTINUING SURVEILLANCE OF TILE EXPORTS BOTH AS TO QUANTITY AND FAIRNESS OF TRADE PRACTICES EMPLOYED.

4. EMBOFFS SUBSEQUENTLY REVIEWED SUBSTANCE OF MITI DISCUSSIONS IN DETAIL WITH MURCHISON AND MEYERS. MURCHISON INDICATED HE WOULD BE DISAPPOINTED IF PRESENT RESTRICTIONS WERE TERMINATED. IN THAT CASE, HE HOPED HE WOULD HAVE OPPORTUNITY TO CONTINUE TO PRESENT ANNUAL PROJECTIONS OF U.S. TILE CONSUMPTION AND TO SUBMIT HARD EVIDENCE OF UNFAIR TRADE PRACTICES, SHOULD ANY DEVELOP. EMBOFFS EXPRESSED VIEW THAT MITI WOULD CONTINUE TO BE RECEPTIVE TO ALL RELEVANT INFORMATION ON SUBJECT, WHETHER OR NOT FORMAL ARRANGEMENT CONTINUED.

5. IN DISCUSSION OF DISCREPANCIES BETWEEN U.S. IMPORT AND JAPANESE EXPORT DATA ON WALL TILE, MITI SPECIALISTS SAID TSUSA CATEGORIES 532 242 AND 532 244 COVERED MORE THAN JAPANESE SITC CATEGORY 662-452 WITH WHICH THEY WERE BEING COMPARED; SPECIFICALLY THEY INCLUDED SOME LIMITED OFFICIAL USE

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TILES JAPAN CLASSIFIED AS MOSAIC UNDER SITC 662-441 AND 662-451. MITI OFFICIALS ALSO ASKED EMBASSY TO OBTAIN QUANTITY AND VALUE FIGURES ON U.S. TILE IMPORTS FROM JAPAN FOR 1971, 1972 AND 1973 UNDER CATEGORIES 532 212, 532 214, AND 532 216; WE WOULD APPRECIATE RECEIVING THESE FOR TRANSMITTAL TO MITI.

6. IN DISCUSSIONS OF STATISTICAL ISSUE WITH MURCHISON

HE ACKNOWLEDGED THAT U.S. STATISTICS (TSUSA) CLASSIFY AS  
WALL TILE SOME GOODS WHICH JAPAN (SITC) CLASSIFIES AS  
MOSAIC AND UNDERTOOK TO INVESTIAGE EXTENT TO WHICH  
THIS ACCOUNTS FOR APPARENT DISCREPANCY. FYI: PRELIMINIARY  
EMBASSY ANALYSIS DIDICATES THAT APPARENT UNDERSTATEMENT  
OF JAPANESE WALL TILE EXPORTS IN SITC SATIISTICS IS TO  
SOME EXTENT BALANCED BY APPARENT OVERSTATEMENT OF MOSAIC  
TILE EXPORTS AND THAT THERE IS FAIRLY HIGH DEGREE OF  
CORRELATION BETWEEN TSUSA AND SITC DATA FOR WALL AND  
MOSAIC TILE WHEN TWO CATEGORIES ARE ADDED TOGETHER.  
EMBASSY DATA BEING POUCHED C/O EB/TA BARRACLOUGH.  
HODGSON

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**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
**Draft Date:** 04 MAR 1975  
**Decaption Date:** 28 MAY 2004  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
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